

Site 11

AMENDMENT OF LEASE

THIS AGREEMENT, made as of the 24 day of January, 1989, by and between BATTERY PARK CITY AUTHORITY ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281, and SOUTH COVE ASSOCIATES, L.P. ("Tenant"), a Delaware limited partnership having an office at c/o Goodstein Development Corp., 445 Fifth Avenue, New York, New York 10022.

W I T N E S S E T H:

WHEREAS, pursuant to an agreement of lease dated as of March 19, 1987 (the "Lease"), a Memorandum of which dated March 19, 1987 was recorded in the Office of the City Register, New York County on April 3, 1987 at Reel 1211, Page 1428, and as modified by letter agreement dated June 18, 1987, Landlord leased to Battery Place Site 11 Associates ("Associates"), as tenant, and Associates hired from Landlord, certain premises known as Site 11, Battery Park City, Battery Park City Residential Area Phase III, being more particularly described on Exhibit A attached to and made a part hereof (the "Premises");

WHEREAS, pursuant to Section 10.01 of the Lease, Landlord consented to the assignment of Associate's interest in the Lease to Tenant (the "Assignment");

WHEREAS, pursuant to Resolution No. 88-BP-0104-A, dated November 16, 1988, the New York State Public Authorities Control Board ("PACB") has approved the Assignment;

WHEREAS, pursuant to the terms of a certain Assignment and Assumption Agreement dated January __, 1989 between Associates and Tenant, Associates assigned, transferred, conveyed and delivered to Tenant all of Associates' right, title and interest as tenant in the Lease, together with all of Associates' right, title and interest as tenant in the Premises, and Tenant assumed the performance of all of the terms, covenants and conditions of the Lease on the tenant's part to be performed; and

WHEREAS, Landlord and Tenant desire to modify and amend certain provisions of the Lease on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to modify and amend the Lease as follows:

1. The words "Battery Place Site 11 Associates, ("Tenant")", a New York partnership having an office at 625 Madison Avenue, New York, New York 10022" appearing in the first paragraph on page 1 of the Lease are hereby deleted and replaced with the words: "South Cove Associates, L.P., ("Tenant")", a Delaware limited partnership having an office at c/o Goodstein Development Corp., 445 Fifth Avenue, New York, New York 10022".

2. Article I (Definitions) is hereby amended as follows:

(a) The words "June 1, 1988" appearing in the last line of the definition of "Construction Commencement Date" are hereby deleted and replaced with the words: "June 30, 1989."

(b) The words "Two Million Seven Hundred Sixty Six Thousand One Hundred Twenty Dollars (\$2,766,120)" appearing in the twelfth and thirteenth lines of the definition of "Land Tax Equivalent" are hereby deleted and replaced with the words:

"Three Million One Hundred Sixty Eight Thousand Nine Hundred Dollars (\$3,168,900)."

(c) The definition of "Principals" is hereby amended to read as follows: "Principals" shall mean (a) Steven Goodstein, (b) (i) Frank Phelan or (ii) Walter C. Goldstein, and (c) (i) Robert Borg or (ii) Samuel Florman."

(d) The words "Battery Place Site 11 Associates" appearing in the 1st and 2nd lines of the definition of "Tenant" are hereby deleted and replaced with the words: "South Cove Associates, L.P."

3. The annual Base Rent Schedule appearing on page 32 of the Lease, entitled "Schedule 1", is hereby deleted in its entirety and replaced by the Schedule 1 attached hereto as Exhibit B.

4. Section 3.02(b) of the Lease is hereby amended by deleting the words "June 30, 1990" appearing on the last line and inserting the words: "June 30, 1991."

5. Section 10.01(a)(ii) of the Lease is hereby amended by deleting on the fourteenth and fifteenth lines the clause beginning with the words "and at all times..." and continuing through the remainder of the paragraph, and inserting the following in lieu thereof:

"and provided that following any such Transfer or assignment set forth in (y) or (z) above, Tenant or the general partner of Tenant shall be controlled by, or be under common control, of the Principals as named in Article I(c) above."

6. Section 11.02(a) of the Lease is hereby amended by deleting the words "the date hereof" appearing in the second line and inserting the words: "January 10, 1989".

7. The first sentence of Section 11.02(j) of the Lease is hereby deleted in its entirety and replaced with the following:

"Except as provided below, the Buildings shall include the following uses:

(i) a 650 seat capacity multiplex theater (the "Theater Space"), and

(ii) not less than 5,000 gross square feet (in addition to the Theater Space) for use as Retail Space."

8. Section 11.04 of the Lease is hereby amended by deleting the words "thirteen (13) months and one week" appearing on line eight and inserting the words: "eighteen (18) months".

9. Section 17.04 is hereby deleted in its entirety and replaced with the following:

"Section 17.04. Tenant represents that, as of the date hereof, the sole general partner of Tenant is South Cove Associates Corp., which has a 1% general partnership interest in Tenant."

10. Section 24.01(b) of the Lease is hereby amended by deleting the words "thirty (30) months" appearing on line six and inserting the words: "twenty-four (24) months".

11. Section 25.01(a) of the Lease is hereby amended by deleting the words "97 Montgomery Street, Scarsdale, New York 10583, Att: President" appearing on lines four and five and inserting the words: "c/o Goodstein Development Corp., 445 Fifth Avenue, New York, New York 10022".

12. Except as specifically herein set forth, all of the terms, covenants and conditions of the Lease shall remain in full force and effect and shall continue to be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed
this Agreement this 2nd day of January, 1989.

LANDLORD:
BATTERY PARK CITY AUTHORITY

By: D. Emil
David Emil, President

TENANT:
SOUTH COVE ASSOCIATES, L.P.

By: South Cove Associates Corp.,
General Partner

By: Robert J. [Signature]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 12th day of January, 1989, before me personally came DAVID EMIL, to me known, who, being by me duly sworn, did depose and say that he resides at 67 Westchester St., New York, that he is the President of Battery Park City Authority, the public benefit corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the members of said corporation; and that he signed his name thereto by like order.

Cecilia Madden
Notary Public

CECILIA MADDEN
Notary Public, State of New York
No. 304698371
Qualified in Nassau County
Cert. Filed in New York County
Commission Expires March 10, 1990

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

11/30/89

On this 12 day of January, 1989, before me personally came Robert Boy, to me known, who, being by me duly sworn, did depose and say that he resides at 97 Montgomery St. N.Y. that he is the Vice President of South Cove Associates Corp., the general partner of South Cove Associates, L.P., the partnership described in and which executed the foregoing instrument; and that he executed the foregoing instrument by order of the Board of Directors of said corporation on behalf of South Cove Associates, L.P.

Francine Reff
Notary Public

FRANCINE REFF
Notary Public, State of New York
No 41-4863074
Qualified in Queens County
Commission Expires June 23, 1990

EXHIBIT A

ALL that certain plot, piece or parcel of land, situate, lying and being in the City, County and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly line of West Thames Street with the westerly line of Battery Place;

RUNNING THENCE due South, along the westerly line of Battery Place, 199.00 feet to the corner formed by the intersection of the northerly line of Third Place with the westerly line of Battery Place;

THENCE due West, partly along the northerly line of Third Place, 150.00 feet to a point in the easterly line of South End Avenue;

THENCE due North, along the easterly line of South End Avenue, 199.00 feet to the corner formed by the intersection of the southerly line of West Thames Street with the easterly line of South End Avenue;

THENCE due East, along the southerly line of West Thames Street, 150.00 feet to the point or place of **BEGINNING**.

EXHIBIT B

SCHEDULE 1
BASE RENT

<u>LEASE YEAR</u>	<u>ANNUAL GROUND RENT</u>
1	\$100,000
2	\$100,000
3	\$255,500
4	\$750,000
5	\$750,000
6	\$750,000
7	\$810,000
8	\$880,000
9	\$955,000
10	\$1,040,000
11	\$1,132,471
12	\$1,218,082
13	\$1,289,478
14	\$1,367,968
15	\$1,456,885
16	\$1,551,583
17	\$1,652,436
18	\$1,759,845
19	\$1,868,528
YEAR 20 THROUGH THE TWENTIETH (20th) ANNIVERSARY OF THE DATE ON WHICH A TEMPORARY CERTIFICATE OF OCCUPANCY IS ISSUED FOR ANY PORTION OF THE BUILDING	\$1,858,528